FTS-HRSA OA

Moderator: Patricia Kota May 24, 2006 1:00 pm CT

((Crosstalk))	
Patricia Kota:	And we've got
Man:	Well, you're not the only one (I guess).
Woman:	(Well), okay.
Woman:	Oh, I'm (here) too in Georgia, so I'll (unintelligible).
Patricia Kota:	Okay, hi everyone. This is Pat.
Woman:	Yeah, we know, (we know).
((Crosstalk))	
Woman:	I'm here.

Coordinator:

(Unintelligible) coordinator. I'd like to confirm, today's call is being recorded. If you have any objections, you may disconnect at this time.

Thank you, you may begin.

Patricia Kota:

Okay, thank you.

What you're going to hear everyone is some sound in the background. As people join the call, there is a signal that we know others are joining.

I would say right now, based on the sounds that I've been listening to, there's somewhere around 30-plus folks on the line.

Woman:

(Yeah).

Patricia Kota:

So, with a little bit of housekeeping, by way of introduction I would ask that all of you mute your telephone. That will help a great deal with background noise. In the past, we've had some problems with that because I asked the operator to keep her line live.

So, what we will do is I will be working from the notebook that I communicated to all of you before about downloading. It's the developing (your) board book. And we will be reviewing Chapter 1. So, if you don't have that, you might want to go to your computer, or maybe you just want to get it later.

But you can find this entire manual and it's probably well over 200 pages. It's in a PDF file and you can get it at our networkssist Web site. Now, (we gave) you that again, but it's

http://networkassist.ruralhealth.hrsa.gov/granteecall.shtml. And this would have been on the bottom of the flier that was sent out also.

So, with that, I am going to go ahead and begin and get through this first chapter and leave the rest of the manual for your review later on, but you'll see that there is a great deal of information.

We decided to host this particular topic at this point in time because many of you are just receiving your grants for the first time. Some of you are (planning) grantees and the requirements to develop a board or a collaborative with some kind of operating policy is probably what you're thinking about. Some of you may be very experienced at developing boards or you've sat on boards, and for you this will be a refresher. For others, this may be the first time you're hearing some of this information, so when we have the Q&A at the end of this, you'll be able to just jump in; just unmute your phones and ask any question. And I would invite too to leave this response time open to others who may have some ideas for sharing.

So, with that, if you would turn to Chapter 1 in the manual and take a look at the very first page? It was interesting when I read this through and I've realized that some of the operations that we work from today go back as far as the 16th and 17th centuries. That was kind of an eye-opener. I hadn't realized that. And it appears from the way this was written that boards were really developed as a way to keep some order and to develop some trust among some partners who were not necessarily trusting each other.

And so, what emerged was a rule of conduct in how organizations might arrange themselves in a legal sense so that they can have some responsibility and authority and accountability within these organizations. And the boards

were all about looking at the good of society at one end of the spectrum; at the other end of the spectrum, it was all about money.

And interestingly enough, the two types of boards that we deal with here in the US predominantly are either in the for-profit or non-profit world. And for our work with Rural Health Network and others who may be on the call, it's predominantly (in) non-profits now.

I say that with the caveat that you might - some of you on the call might actually have for-profit boards. You wouldn't necessarily be receiving grants, but you have a for-profit arm. And so, that would be understandable and it's - you - we're seeing it more and more these days.

If you turn to the next page, the responsibilities and functions of the boards, you know, the main reason that a board exists is to plan for the future, to hire (and breed) executives for the organization, and to approve policy. It's all about developing and fulfilling that organization's mission with the core leadership, that is, the board of directors.

And when boards diverge from that area of responsibility, sometimes it works. And there are different formats that we'll talk about in a few minutes but, for the most part, it's all about that core leadership and creating the mission and vision and the policies and working with the lead executive of the non-profit.

How a board actually fulfills their responsibilities varies and it varies with the type of organization that actually is being led by the group. There are some membership-based organizations that are called membership-based. And you may belong to some. You may be a member of NRHA or NCHN or the - any number of chambers of commerce or rotary. And these are predominantly

membership-based organizations. And you may decide that that format for your network is the way that you'd like to proceed.

There's another form, however, that's called a non-membership-based organization that is really led by that board of directors. And then, there are others that are very intimately involved in the work of the network but they are not involved as members -- they're not card-carrying members, if you will.

This gets a little confusing with networks because sometimes you'll get a phone call and someone will say, well, who are the members in your network? Well, if you are a non-membership group, it's not so much card-carrying members as it is key stakeholders and participants. So, just know that sometimes those words are mixed.

Also, this might be time to talk about the different types of networks. You know you can have the vertical or the horizontal model. Traditionally, the vertical model of a network is all about different organizations coming together to serve a common good. The horizontal model is usually like organizations.

Now, the very strictest sense of the word horizontal means all hospitals. For example, all critical (action) hospitals, they're all FQHCs, all CHCs. However, I think there's another type of network that is all-provider. And quite often, all-provider networks, while they're vertical because they're not the same corporate entities if you will, they're focus often is very much on joint purchasing and economies of scale and that kind of thing.

So - but just know that there are two types of networks, the vertical and the horizontal, and your board, as it becomes more solidified over time, will be making some decisions on what of network they would like to form. And that

is the very foundation and basis for who they are and what their main

responsibilities are.

So, if you take a look then down at the Numbers 1, 2 and 3 at the bottom of

Page 2 in Chapter 1, you'll see that the very, very first responsibility of the

board is to determine the purpose and mission of that organization. And that

cannot be stressed enough.

That core mission may change over time. But as the network comes together,

that is why these folks are committing their time and energy. It's their north

star, if you will, it is all about the lives of the people who will be changed as a

result of the work that you do. And that is very succinctly stated inside your

mission.

The next thing that the board does is they will select the chief executive

officer or an executive director. However the term is, they'll be developing a

job description, they'll be conducting a search, and they will be doing an

interview process to bring that person on board.

This is a very delicate time in the formation of the new non-profit because

there are issues of trust. Perhaps, people haven't worked together for a very

long time. So, there is what we call here the dance -- they're learning how to

move forward, sideways, perpendicular -- and it's just a very fragile time to

see whether or not the network or the board is really going to be able to

function together.

The next step then would be the support of that executive person who was

hired and review of his or her performance. Now, what's interesting about

this is sometimes the board will get to this particular place and time and they

forget about that review of the performance of the executive director. And

again, we're talking about the dance here and the development of policies, but the fact of the matter is the executive director is probably going to have to prompt the board to make sure they understand that it's time for their review process.

Planning - now I'm going to the next page on Chapter 1. This is Page 3. And that's all about developing an organization plan to make sure......the goals are set for the organization. And then, aligned with the plan has to be where is the money going to come from or the resources. Maybe, it's not money but rather human capital and in-kind support -- where is it going to come from.

This outline may become very familiar to all of you now. It sounds a little bit like the grant applications that you wrote and were approved from HRSA. And being that you were approved for HRSA funding is an indication that you stepped through this process on paper and demonstrated some understanding on how all of this works.

Then the - now, you've got your HRSA grant, and the next step is to manage those fiscal resources effectively. But again, it's not just about money, it's managing the human capital effectively as well -- how well you work with your members if you have members, with your constituencies, with your key stakeholders, whoever they are, because your relationships and the way you work with those people is going to make or break your organization.

It may be, at this point in time too, that you want to make sure that you have a strong - strong board leadership is only in two positions -- the board chair and the board treasurer. It would be really important that those two folks be on board and understand some of the fiduciary responsibilities and begin to understand that this HRSA grant that you have is really a very sizeable

investment from the Federal Government and they are intimately at the helm for making sure that these projects are well done.

Then, you've got determine and monitor the organization's programs and services. And again, monitoring your effectiveness as you move forward is your ability to leverage what you do, the resources that you have (or) additional resources as the future unfolds. You won't to be able to tell that story very effectively if you're not monitoring what you're doing along the way.

And your grant application -- once again the tables in your work plans (unintelligible) -- become beautiful templates for your being able to look back at them to make sure that you're doing what you said you were going to do. And your quarterly reports that you submit again give you this opportunity to self-monitor your performance.

But don't forget that, you know, that was just your one basic program of work that you said you were going to do, and there may be other things that you're doing as well and you shouldn't be shy about documenting what it is that you do.

All of this is wrapped around your ability to develop a good solid, public image for your network, and that's really what your board's responsibility is as well so that when, say, you've got a board member who happens to be in a local chamber, you want to make sure that board member is talking positively about who you are and what you're doing and your mission and vision. And it's real important for them to be consistent in what they're doing. And as the executive director or CEO or program officer for your particular grant, you're going to want to make sure that they have some nice talking points for them.

Number 9 is that the board (at the) very extreme and serves as a court of appeals, if you will, in personnel matters for individuals who have grievances, particularly problems with the CEO, that there may be a personnel committee at the board that actually listens to the employees and develops that system for managing conflict. That is not what you want to do with your board; however, if it happens that it works out that way, then that is one of the responsibilities of the board.

And then, the board will have to assess its own performance. And just like I said, the executive director or program officer, the person sitting in your seat, may have to remind the board -- and this may be an advisory board by the way -- that you may have to remind them about your performance appraisal. You will also need to remind them about their need to appraise their own performance as a board. And that performance may be their willingness to attend meetings and serve on committees.

And there are all kinds of nice self-assessment tools out there that they can take a look at. One is the self-assessment tool produced by the Peter Drucker Foundation and you can find that through amazon.com.

The other source that I'd like to refer you to at Amazon would be -- just to have in your pocket -- Robert's Rules. It's an old standby, but it is - it stood the test of time and I think it's a good thing for everyone to have in their desk drawer at all times.

Now, I said too a minute ago that you may not have a formal board, and that's absolutely right. It may be an advisory group at this time, and you may have a collaborative that right now you've got some key stakeholders who came together for the grant.

This conversation that we're having right now is about the formal board, but some of these principles apply to those advisory panels as well. You may not have some of the formal documents in place, but you may - certainly, you'd want to use some of the guidelines that just make sense for maintaining good communications and relationships.

If you turn to the next page, to the lifecycle of boards, this is really a nice explanation of how your board starts out, how it evolves and then transforms over time. So, if you are a brand new organization of collaboratives, it says here that would be the entrepreneurial board. That might be your advisory panel right now -- it may not be formalized in any way. It's the time when they (call on us) and they start talking about their (dreams) -- what they could do for the future.

And that type of board usually doesn't last two long. Now, sometimes, that's not true. They can stay in that mode and be very happy. But usually, it morphs into something more formal.

And the next type of board is (the systems) board. And the organization develops and changes, and there's a division of work responsibilities now between the staff and the board. And so, there is a growth and development process that's happening, new partners may be (attracted and) new programs that are being developed. And that usually morphs (then into) a strategic board.

And the strategic board is all about getting the big picture. Their relationships are more external, they're asking very large questions, they're visionaries. They're not asking what the day-to-day operation is all about. They're entrepreneurial board at the very start; they need to know that their resources are there, they're (forming the organizations). By the time you get to the

strategic board, it's asking those big questions about who they are and where they're going and the concepts on how to get there

And then, finally, there's the transformational board. And what's interesting about this board is that it's probably a death or rebirth time. There may be some frustration, you know? They've gone through the excitement of forming a new organization, they've got their systems in place, they've got their strategies in place.

This may be a time now where the board says, this isn't working, this isn't who we are, we may have to close up shop. Or they may say, this is who we are but we're much more, let's extend our area of interest. So it's a time in the lifecycle when there can be some fluctuations.

So, I don't know where you'd sit in this particular lifecycle of boards. And it may be that you're not even at the entrepreneurial level -- you're at the advisory level -- but it's very helpful to know this as you move forward.

We're going to Page 5 now. This particular page just talks about some of the structures in more detail, and so we're certainly not going to go over that right now. But read it carefully, there are some really good references in there about the traditional models.

The one thing that I would like to mention too is your board - the work of the board really centers on the issue of finance and public relations and raising money and knowing what your organizational goals are so that they can be your public voice for public relations. And that really is the most effective use of your board as you grow and mature.

A board concerns itself only with the crucial issues central to the success of the organization. This is when the board is driven by results. They're not asking you day-to-day how did you get the work done, they want to see some sort of benchmark for where your at, and they are trusting the executive director and the staff to be ethical and successful in the works that they're doing.

You'll see that boards wane, and perhaps in the beginning, everyone was in attendance and everyone's all excited about it. Over time, those board members can actually (say the way). It is the leadership possessed by the executive director that's going to cause them to continue to volunteer their time and efforts on your board. And that really is about your courage to stand up and speak with consistency and leadership about who you are and what it is that you're doing that will cause them to be inspired and to continue the tough work of the board.

There are some boards now that are adopting this pay for performance concept and what that's all about is taking a look at those benchmarks that I mentioned a minute ago. And really, some of the CEOs and the executive directors are being paid perhaps a flat rate, and then as they meet specific benchmarks of performance, they may be getting some additional bonuses and so on.

That's really something that's just happening right now. We're seeing it in the hospital world where some hospital CEOs and major, major health systems are being offered pay for performance packages.

Now that's something that we want to be looking at, but I do think it's something that you want to keep your eye on for the future in terms of how much money is actually available for network directors and CEOs and how that money is being paid out which links back to your performance.

Page 13

Like I said before, the board's main role is all about the developing policies

for the organization. They need to find out what matters. You need to know

who the stakeholders are and your board needs to know them.

For example, if you're all about developing a free clinic, does your board have

any kind of representation of the users? Or has it decided to not do that? And

in either model, is the board (insulated) or does it interact with your primary

customers who in this case would be the users of that clinic? It's just a

question. It helps them to be sensitive to the work that you're doing.

The board also has to take a look at what needs to be measured. Going back

to that pay for performance and your evaluation and so on, they need to know

what's important to them to make sure there's a good evaluation available.

The board evaluation is usually done - I've seen where it has been done every

year, other times every three to five years. I guess I would say every other

year would probably work out real well.

And again I would reference some self-assessment tools that are out there.

Check amazon.com and you'll find a whole bunch of resources. They're

usually pretty easy (true or false) or a very simple tool to use.

One question that I've been asked over the years is, how do you tell how

many people should be on your board? What is the perfect size? And the

truth of the matter is that there's no right answer -- there are some easy

answers and some simple answers.

But the rightness of it really is going to go back to who you are, why your network was formed, who is your constituent -- answering all those tough

questions.

I know from experience that a board - and by the way the board is often an odd number to break tie. But often, it ranges from the size of 5 to 25. Five is probably a little too small; 25 maybe a little bit too big; but it really depends more on what your organization is.

For example, if your network is representing 60 counties, you may have a board membership of 60 people coming from each one of those areas. That's only a guess, but there may be reasons why you (extend) your board to be much larger than the norm.

But read that section on defining the size of your board to see what seems to make sense for your organization. And remember, your job is going to be primarily focus. When you get to this level of working with your board, you want to be in a position where you can help them be the best possible leaders that they can be.

Within your board then, you'll be looking at some formation of some committees. And committee structure inboard is very valuable because they'll be looking at thing at things like a finance committee and a public relations committee, all kinds of ways to use their expertise, but in a way that is easy for them to handle.

These folks are volunteers, most of them probably have other jobs. And this should not be a second job for them, it really should be all about making their life easy and using their wisdom as you develop your network.

One of the other committees that happens, you may have some ad hoc or ex officio members or your board. These are the non-voting members, but their wisdom is such that everyone values. When they are present, they may not

attend all of the meetings, but you want them on your board for a variety for

reasons.

There may be other ex officio and ad hoc members that are there for name only. For example, a state senator or an elected official or someone who has name recognition. You just don't know -- at least I certainly don know -- who these folks would be, and that would be your call.

So, the committees have this wonderful opportunity to work with your organization to make sure it's highly developed.

If you turn to Page 12, you'll see that - here is the list of typical committees. And what they've got here is the board development, evaluation, executive. The Executive Committee is (now) - if you have a board, say, of 25 individuals, your executive committee maybe three to five, a lot of the work gets done at that level.

And you'd be surprised, even with the advisory board-type of organization and that you may not have any kind of formal of board, there still may be an executive committee. It maybe called your key leadership. But it's usually somewhere around three to five people who are making some very large decisions for your organization.

The Finance Committee is absolutely essential. If I didn't have any other committees, I would want the executive committee and the finance committee. because the finance committee is going to be over seeing your - and tracking

and monitoring your funds as they come in, and they're going to make sure that the financial controls are built in.

To some, this may be daunting and seem daunting, but I have learned again over time that one of your best friends can be an audit. Once you know that your audit is clean, there may be items that need to be tracked more closely. This helps you keep your records and your accounting in a very pristine way that makes you feel good about what you're doing and that it's above board and ethical.

And the first clean audit that I received years ago in a network that I ran, it really did a lot for self-esteem. And I would recommend it way beyond that as well for accountability purposes.

Another committee is fund raising. When you get to the point were you're looking at going to the public to raise additional dollars, fund raising and development committee can become very important. Again, you - this committee may not even be members of your board, but usually you've got several board members mixed with some key community leaders.

There's often a marketing committee, a personnel committee, program development. I would suspect that many of you have committees right now that are centered on programs. For example, if you're a school-based program, you may have a committee that's looking at obesity and physical activity and nutrition in the school.

Now, this committee does not have to be comprised of all board members. You may have some school personnel in the committee, but just know that that committee is going to eventually report back to the board. And then, there are some other types of committees there.

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If you turn to Page 13, you'll see where it say forming a non-profit

organization checklist. And this is a really, really nice flow. For those of you

who may be considering forming a 501c3 -- a non-profit. And not all of you

will. But for those of you who do, this particular checklist will point you in

the right direction to help you understand your obligations and what you need

to do.

Now, some people will say, articles of incorporation? How can we possibly

do that?

On Page 16, you'll see a sample of that and it's a very abbreviated sample.

But often, in your state, to do the filing for a non-profit you'll need to hire a

lawyer. And there are usually some templates that the lawyers use. They'll

ask you some questions about your purpose and your mission and so on.

Once you get that nailed down, they'll file your corporation in the - within the

proper state channels, and they will next submit (this) documentation to the

IRS for a charity designation. You'll see that down below, few bullets below

that.

But those are the two separate documents. Don't think just because you filed

as a non-profit, that you're automatically a charity. That is a separate legal

construct.

And then, you have your by laws drafted. And again, an attorney will help

you with some of these, but there will be times when you are going to want to

put your own stamp on this and it will become self evident as this unfolds.

You'll want a strategic plan. It's interesting because the HRSA grant probably form the backbone for your initial strategic plan if this is the first time you've come together. It has been around for a while, probably more of a program plan.

You may want a budget and resource development plan. You need to establish that record keeping system. I know a lot of the networks out there are now using Quicken, and they link that with their auditors, their CPA, and they seem to create some easy resources there.

Establishing an accounting system. Once the money starts flowing in, you're going to need to work with a CPA to make sure that you have chart of accounts and you've got this system fine-tuned. Some of you may be under the operations umbrella of, say, a hospital or a CHC and you don't have to worry about this.

Well, my advice to all of you who are living within that particular format is that you do have to worry about it and that you do need to know still where your money is and how to track it and you still need to be responsible for it.

So while you have the gift of a large organization following and tracking your grant, you still need to be responsible and to know how that money is flowing and how it's being spent within that particular program area.

The next bullet then talks about the IRS filing. This can take about three years. Don't think that you're going to submit these papers and then right away you're going to get documentation back. This is a process. State you're different and it will be time consuming.

Usually what happens with your 501c3 is you filed a non-profit, that gets approved relatively quickly. And then, after that, 501c3 is filed. Most often, what happens is you'll get a letter from the IRS giving like a three-year window of time to meet certain obligations to prove your charity status. You'll have to then update that usually on an annual basis, and then after three years, you'll get this official letter that says, "Congratulations, you're a 501c3."

So, if this is what your board is thinking about doing and you have a threeyear HRSA grant and you're just coming together, you would want to start this sooner rather than later.

Now, where it says you'll file for state and local tax exemptions, again you're going to have to maintain these fiscal records to make sure that the proper tax forms are submitted.

Now, for a non-profit, it's a paper process. Some networks though, like I said before, have for-profits. And that's a whole different story. We're not going to worry about it here, but one of the things that I've heard over the past several years is people said, well, we don't want a for-profits because we'll have to pay taxes. And I heard someone else say, "Isn't that wonderful?"

Well, what's behind all of that is that they were actually generating revenue - enough revenue to support their non-profit arm and paying taxes was a sign of success. So, that's something for your board to think about.

And then, it says, "Meet the requirements of state, county and municipal charitable solicitation (lot)." That's a little bit of a warning there that says that if you decide to conduct the campaign to raise money, then you just need to know that in your state, in your local town, in your county there may be

additional documents that you'll need to register or regulations that you'll need to comply with to make sure that your effort is consistent with the local laws. So, just keep that in mind.

Okay, if you turn to Page 15 -- and we're wrapping this up and we can open up for questions in a few minutes. But Page 15 just shows a very abbreviated sample of articles of incorporation

And on Page 16, it begins to talk about the models of board governance. And you'll see that on - there's a bar on the bottom there. On one side, it says, "The least board involvement is about policy governance." And what they're saying there is that board may come together four times a year, they receive an update on what's happening, they're present for an annual meeting and that's just about it. They have some visionary responsibilities and so on, but they're not intimately involved in the day-to-day activities.

If you look way to the other end of that spectrum where it says the collective, that may be your collaboratives over there. Your board may be doing the lion's share of the work. The people on this call right now may be calling in because they're working board members. You're very involved as that entrepreneurial board that we talked about, and it's really important because at this point of formation that's where it is and that's how the job gets done.

Turn to Page 18. And this - on the bottom its talks about - you can read the other types of board, but I just point that out to you - is this - the spectrum that exists.

Policies are something that new organizations can easily ignore, and yet the policies can help you and keep you on track and on target. And it's a good idea -- if you turn to Page 19 -- to think about developing some policies that

really help you know how to do your work. And it's the operation of your organization.

Now, if you're not a formally incorporated board and you have no intention of being, no problem. I wouldn't call it policy, I would call it core operating principles. You may have a memorandum of understanding that addresses how you agree to work together. It's just setting up some guidelines for your group so that you know where the parameters are.

So, in this conversation about boards, you're looking at some operations policy, the management and - of the financial resources for the non-profit. And the boxes here just describe a little bit of how that unfold.

And if you go down to - there's an example here at the bottom of the page where it says - here's an example of a policy that was written and it says, "All meetings shall be conducted in a smoke-free environment" - is one example of the policy; and the other - or, "Closed meetings will be confined to matters concerning personnel issues, including the assessment, rewarding or disciplining of individuals, or to the discussion of relationships with other corporate bodies." Well, that sounds great. And then, you say, what the heck does all that mean? Sometimes these policies are stated in such a broad context that the next step would be to write some procedures that describe exactly what it does mean.

So, if you look down to the last paragraph, the last two lines, it says "Policies that need a description, the procedures to support the policy. So, in the case of the closed session meeting, their procedure was a motion is required to move into a closed session." Now, this is someone speaking. "This motion can be debated before it is put to a vote."

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So, what's happening is they've written a procedure that says they're allowed

to talk about it in the session. The motion to close the meeting requires a 3/4

majority. They may take that vote. Closed meeting should be regarded as an

unusual occurrence rather than a regular procedure. Again, you can see how

their procedure now has allowed them to think about closed meetings as a

very special circumstance. So again, set those parameters.

But I would just like to remind you that while we're talking about the formal

organization of a board, you can use some of these very, very same and solid

time-tested principles for your collaborative (or) your advisory panel. Not

that you would want it this detailed, but just setting up your structure for your

meeting.

Down at the bottom of Page 20, there is a conversation that begins to unfold

on conflict of interest. And I would say, of all of the questions that we get of

new and forming boards, quite often conflict of interest is the question that we

receive here.

And there are samples of conflict of interest policies that you'll find on the

Web site that I gave you earlier. You can adapt those to how they make sense

for your organization. You may want to develop a board orientation manual.

And inside that manual, you would have a conflict of interest policy that new

board members would find.

And basically, it's talking - and it boils it all down to this premise. When that

board member sits at your board table, they're representing your organization.

And their self interest about their hospital, their FQHCs or their other school

districts whatever it may be, that their self interest is set aside and that you are

trusting them to make sure that they're living up to the tenets of your

organization in the very best possible way.

There are some examples here down at the bottom of Page 21. There was an example how a competitive bidding purchase was not competitive and ended up being closed to a spouse of a board member and son. That's just one example, but there are other examples.

And as you get into this work, if you're a good organization -- and I mean good in terms of moving forward and getting things done -- maybe it's good news, maybe it's bad news, but often conflict of interest issues do surface. And quite frankly, I think that's a sign growth. But it is something that you need to be aware of.

On Page 21 it says what should be included in conflict of interest policy. And there is - three points: full disclosure; board member abstention from discussion and voting -- so in other words, if there's something that's happening that's of key interests to that member, they will simply abstain and not vote; and staff member abstention from the decision making -- there may be times when they just say no, I've got too much vested interest in this particular issue and it wouldn't be fair to weigh in one way or the other.

Okay, if you just keep turning pages now, Page 24 is just a nice - it says "The Policy Scavenger Hunt." This might a fun way for you to just ask some questions about the documents that you have or don't have.

If you turn to Page 25, you'll see that there are some situations there and food for thought that you can think about.

Page 27, samples bylaws that unfold throughout the next few pages.

That is about all that I wanted to say about the issue (up for us). And I would like to open the floor now to anyone who might have some very specific questions or to invite clarification of any of the items that I've talked about.

(John Schumi): Hi Pat, this is (John Schumi), I have a quick question.

How do you feel about the model where the CEO or Executive Director of the organization is also a voting board member versus the more traditional (arrangement) where the staff and board are completely separate?

Patricia Kota: That, you know, is a really good question. And it's a common model in the more high functioning board.

I've seen it work very well and I've seen it - not feel so good. So, I think it all goes back to the trust of their original group. Is there anyone else on the call that would like to comment?

Are there any other questions?

(Jane Hemolambrandt): This is (Jane Hemolambrandt) in Ohio.

Patricia Kota: Uh-huh. Hi Jane.

(Jane Hemolambrandt): Hi. I have a collaborative that's pulling together agencies who our verticals but horizontal in their interest. So that language made a lot of sense to me.

But - so there's a lot of (deals) in the community, and engaging them in a sense that we can move the group forward if we formalize the network and build the board (feels) very foreign to them. There are - a collaborative is - at

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least have frontline staff, and already this year we've have added some more

sort of administrative types to the group.

And the administrative (unintelligible) gravitates (to its support) structure

language. And (the deal is) things like can't we just keep going forward and

doing what we're doing without (this)?

I just wonder if - just some thoughts about how to sell the idea or formalizing

the network to your people who are really critical to...

Patricia Kota:

You know, that's a really good question. And I think the answer to the

question is multi - has many parts. One part is the mission. Why did you

come together? If you came together to - because you got a grant and once

the grant is done, you're done...

(Jane Hemolambrandt):

No, we're okay there. We've got a three-year history before the

grant.

Patricia Kota:

Okay. So if you're all right there and you've got that three-year history, and

now you're looking at an additional three years, what I have done in the past

is identified key leaders who aren't afraid of this fiscal responsibility and

leadership role. They become the substance for your board and the doers --

the implementors -- who are more - they're the frontline folks. They form

very good working committees.

(Jane Hemolambrandt):

Yes...

Patricia Kota:

And...

((Crosstalk))

(Jane Hemolambrandt): That's how it's falling out.

Patricia Kota: Yeah. And you can place them into some leadership roles so that...

(Jane Hemolambrandt): (Unintelligible).

Patricia Kota: ... - we certainly don't want them to feel less important.

(Jane Hemolambrandt): That's my concern - is that as the language of the - the formalizing the board, as it gets more academic and more (ethereal), that we're disengaging people who are absolutely critical to our ability to move forward.

Patricia Kota: All I can tell you is that it is, well, responsibility of the...

(Jane Hemolambrandt): Uh-huh.

Patricia Kota: ...program director and....

((Crosstalk))

Patricia Kota: ...they'd feel that doesn't happen.

(Jane Hemolambrandt): You know, that's really (unintelligible). And (yeah)...

Patricia Kota: Yeah, it's, you know, it's a balancing act.

(Jane Hemolambrandt): (Yes, it is, yeah, yeah).

Patricia Kota: It is. But you may want one of them to service an ad hoc or unintelligible).

(Jane Hemolambrandt): Yeah, that's what we did, yeah. Well, that's all. Very - I'm glad to hear that we're in the right ballpark.

Patricia Kota: Yeah, it sounds like. But, you know, it makes you feel bad.

(Jane Hemolambrandt): Well, I don't want to lose them, yeah...

Patricia Kota: Right.

(Jane Hemolambrandt): ...because then we're our board was (unintelligible) membership, so the (unintelligible) - I don't know how (to) word it, but ...

Patricia Kota: Well, do have a membership or is it that non-membership?

(Jane Hemolambrandt): Right now, we're a - we're calling ourselves a board that's comprised of the whole membership. We're asking people to look at if that's comfortable for them -- do they want to fall out into just a committee, (these structures). We've built an executive committee to the whole group. So we're sort of sorry to pull out who we think are really the (wittier) leadership that could be on Executive Board, but none of my really critical people nominated themselves for that role.

They all got little visits from me going, "Now, but wait a minute."

Patricia Kota: Yeah.

(Jane Hemolambrandt): Because they get very frustrated when things get, you know, we're a university community collaborative so we've got all those attentions embedded in our network and...

Patricia Kota: Oh, yeah.

(Jane Hemolambrandt): The university people jumped to be on the board development.

What the community (did) is go (unintelligible) go (doing it) again.

Patricia Kota: I can feel for you, but it really is that dance that I talked about.

(Jane Hemolambrandt): Yeah. Thanks. Well, I'll be calling you, Pat...

Patricia Kota: Okay.

(Jane Hemolambrandt): ...(I guess) (unintelligible) because so far we're hanging together, but (unintelligible)...

Patricia Kota: Okay. Well, congratulations.

(Jane Hemolambrandt): Well, thank you.

Patricia Kota: (It's years). I mean how many years before...

(Jane Hemolambrandt): We were just under - we have a planning grant.

Patricia Kota: Uh-huh.

(Jane Hemolambrandt): That's how nervous the group is. They didn't want to go for the three-year development (unintelligible).

Patricia Kota: Oh.

(Jane Hemolambrandt): We were just under the three-year requirement for being a viable applicant for the planning grant.

(Patricia Kota: Okay.

(Jane Hemolambrandt): So we've got 2-1/2 years. We're a very small rural community, so - although on some level, we've got a three history. Many of the dynamics go back decades, I can barely say.

So...

Patricia Kota: That's the way it is in small towns.

(Jane Hemolambrandt): Yeah. But it's a very, you know, the planning grant, you know, it gives us time to study the (approval) -- what we want to do. At the same time, the 20-year grant gives us (the space) to continue to plan. And to do it, we get really frustrated but...

Patricia Kota: Yeah.

(Jane Hemolambrandt): It was planning about the plan about the plan, you know?

Patricia Kota: Yeah. Plan to plan.

(Jane Hemolambrandt): Yeah. Let's plan and then evaluate the plan.

Patricia Kota: Yeah.

(Jane Hemolambrandt): (So)...

Patricia Kota: Are there any other questions?

(Elizabeth): Hi, Pat. This is (Elizabeth) in Washington.

Patricia Kota: Hey (Elizabeth).

(Elizabeth): Hey. So my group applied for a 501c3 application last fall. And I called a

couple of weeks ago and our - we've been waiting since December 13 to have

an agent assigned to our application. And they said it takes up to a year.

Patricia Kota: Yeah.

(Elizabeth): The average is a year.

Patricia Kota: Yeah, thank you for saying that because I didn't want anyone on the call to

think they were going to make this application and boom, it was going to

happen.

(Elizabeth): Yeah. I don't know if it's - can we apply under a cooperative hospital as a

corporate or as a corporation or what? But it does seem to take a bit of time.

Patricia Kota: It sure does. And I found that it - well, you should know this better than

anyone, but a lawyer who's really good in this particular work is - can shake

some (trees) (unintelligible) to identify the program person.

(Elizabeth): Yeah. Yup, that's true.

Patricia Kota: (Elizabeth), I'd love to hear your thoughts. Since you're a lawyer, what are

your comments about board formation?

(Elizabeth):

Well, I found everything you were talking about very interesting and a lot of the things we've gone through the painful processes for, I think the most important thing is, I know, as a planning grantee, you gave us different copies of -- oh no, I have to see -- a conflict of interest policy

Patricia Kota:

Uh-huh.

(Elizabeth):

And I think that that's one of the most important things - was that we went through all of that and agonized over the whole because (we're all) critical (access) hospitals, and as you go for different projects everybody has a different interest and it's hard to make sure that - to balance all of that.

Patricia Kota:

That is so true. And one of the things that I think it would be helpful for (us) - and (Elizabeth) jump in here -- helpful for people to understand as the y're forming their policies is that not everyone has to participate in every single program.

(Elizabeth):

Yup, that's exactly right. And we've done that for various reasons and it makes a lot of sense. It's - as an executive director, it seems like it usually falls on me to be the one that says gee, I don't think this is a good idea for this group to continue to be part of every project, or that they should always be the recipient for the grant.

Patricia Kota:

And then, (unintelligible) (tough) calls, aren't they?

(Elizabeth):

They are. It's very hard. It's very difficult to make those decisions.

Patricia Kota:

It is.

Well thank you, (Elizabeth).

(Elizabeth): Sure.

Patricia Kota: Any other questions?

(Ed Bostic): Hi Pat, this is (Ed Bostic) in Virginia.

Patricia Kota: Hi, (Ed). How are you?

(Ed Bostic): Very good. Say, I was wondering if we have time -- and if those folks who are

listening would like to -- could we kind of introduce ourselves and get sense

of who's on this call?

Patricia Kota: We can try it. There may be too many people to do that, but let's give it a try.

(Ed Bostic): Okay.

Well, I'm (Ed Bostic) in Virginia and I represent the Northern (unintelligible)

Middle Peninsula Telehealth Consortium

(Jane Hemolambrandt): I'm (Jane Hemolambrandt). I'm in Ohio. I represent

(unintelligible) Partners for (unintelligible) in Children. We're a Kids' Mental

Health Network.

(Barbara House): I'm (Barbara House) in (CAWS), New Mexico and I represent Collaborative

Action for (Child's) County Health.

(Elizabeth Flosham): I'm (Elizabeth Flosham) and I represent the Western Washington Rural

Health Care Collaborative.

(Joe Hanson): I'm (Joe Hanson) from Montana and I represent the Western EMS Network.

Patricia Kota: Hey, (Bill).

(Joe Hanson): Howdy.

(Barry Brogan): My name is (Barry Brogan). I'm with the North Country Behavioral

Healthcare Network and I'm a technical assistant consultant with the group.

Patricia Kota: Hey, (Barry).

(Barry Brogan): Hi, Pat.

(Martha Drag): This is (Martha Drag) and (Peggy Smurn) from the Mercer Putnam Sullivan

County Rural Health Network in North - Central Missouri. And we are a

collaboration of hospitals, county health departments, (unintelligible) district,

a nursing home and a Latino center.

Patricia Kota: Hi, (Martha).

(Martha Drag): Hi, Pat.

(Jane Wills): This is (Jane Wills). I'm from Virginia. I'm with the (unintelligible) Health

Education Center.

(Tracy Berger): This is (Tracy Berger). I'm with the Florida Association of Rural EMS

Providers.

Patricia Kota: Anyone else on the call?

(Brenda Lay): I'm (Brenda Lay). I'm from Turner County Rural Health Network in Ashburn,

Georgia.

Patricia Kota: Hi, (Brenda).

(Brenda Lay): Hi, Pat.

(Erika Malaburn): Hi. This is (Erika Malaburn), the Program Coordinator for the Network

(Development) (unintelligible) Program.

Patricia Kota: Hi, (Erica). Do you have any other thoughts for the group?

(Erika Malaburn): Not really. You guys covered pretty much everything.

Patricia Kota: Did it sound consistent with the HRSA program guidance?

(Erika Malaburn): It's good, it's good.

Patricia Kota: Okay, good.

Okay. Anyone else?

(Marcus Flores): This is (Marcus Flores) with Regional Responses Network in Sterling,

Colorado.

(Pat Parker): And this is (Pat Parker) with HRSA Office of Performance Review in Region

7.

Patricia Kota: Hi, (Pat). Does this sound consistent from your perspective?

(Pat Parker): Vei

Very consistent.

Patricia Kota:

Okay, great.

Anyone else out there?

Okay, now that you know some OPR folks and HRSA people around the line, we've got some - a nice mix of networks from across the country. I'd like to open it up again for additional questions and feel free to be creative.

(Barry), how about you? Did you face any of these issues in the formation of your board?

(Barry Brogan):

I'll have to admit that because I was on an assignment from my board, I was unable to make most of the phone call, Pat, and I apologize.

Patricia Kota:

Oh, sure thing.

(Barry Brogan):

I am looking through the manual right now and this is a really wonderful piece of work.

You know, I think a lot of us go into this - these positions as network directors with a pretty good gut feeling about the kind of work that has to be done, but there is a tremendous amount of detail and this manual really does a great job at capturing that.

I think for those of us that are (TA) consultants with Georgia State University, this is going to be - this is really a tremendous tool for us to work with our networks and I was really happy to hear that (Marcus Flores) from Colorado -- one of my grantees -- is onboard with the call. Great to hear you, (Marcus).

And, you know, I think this is a really good thing because this is right where they are. They are formalizing their board. They've just had their strategic planning and this is a great - really a nice tool.

Patricia Kota:

The thing that I found about this - and this was developed with the Georgia Health Policy Center and the Fanning Institute at the University of Georgia. And when I was going through it, I remember agonizing years ago when I was developing a network, you know, how do you get this information that was never in one spot? The neat thing about this is it's all there.

(Barry Brogan):

Yup, it's really a wonderful tool. And obviously, a lot of very hard work went in to putting this together.

Patricia Kota:

Okay, any other questions or comments?

Man:

One comment about the Carver Governance model. I really think that for our particular purposes here in Virginia, that that is really going to be a good guidance for the Board.

Patricia Kota:

Uh-huh.

Man:

And get a sense of comfort for the members as well because I think so many of them are professionals in their own areas and they do serve on other boards. However, they have come together to form a network for their own shared purposes now, and I think that Carver Governance model is really going to be helpful for them.

Patricia Kota:

Yeah.

The other thing that I just want to state it again, spend ten bucks and get yourself a copy of Robert's Rules, all of you online or on the line. Not that you will be using it very strictly and very formally, but there may be times when you'll just want to refresh your own memory about how to help your board chair conduct the meeting.

Man: I second that motion.

Patricia Kota: Hi, (Alex).

Man: I think, Pat - this is (unintelligible) again.

I think one of the things that we're wrestling with is that we need to get so much of business accomplished. And so, therefore, we're using email polling more and more and that helps expedite things. However, it keeps us from having, you know, a complete reason for coming together on a regular basis.

Patricia Kota: Yeah. And, you know, the - again, the (damps) in all of this is you really

don't like your board doing your day-to-day operations, if they in fact are a

formal board, so the process will move it along.

Woman: (Unintelligible).

Patricia Kota: Okay, another question or comment?

Okay. (Erika), any last thoughts for the group?

Okay.

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Well, our next call is June 14 and it's going to be an evaluation. And I'll do a

little commercial here.

(Dora) from our office is going to be heading that off and she has done some

evaluation work working at her PhD. And we don't want to scare anybody

away, but the fact of the matter is, as HRSA grantees you have some

obligation to do some evaluation component. And it goes right back to your

board issue of looking at your benchmarks and how you've performed.

So, it's a nice segue to be thinking about this...

((Crosstalk))

Patricia Kota: ...and then to think about evaluation and how evaluation can unfold. So that

will be on June 14.

Okay, here's the opportunity for one last comment or question.

Okay, thank you everyone.

Now remember, you will be able to pick up the audio replay of this call. It's

at the bottom of your flier. If you don't have the flier, it's 1-888-566-0678.

And that should be available around 4 or 5 o'clock this afternoon.

Thank you everyone.

Woman:

Thank you.

Woman:

Thank you.

Patricia Kota: Okay, bye-bye.

Woman: Bye-bye.

Man: Thanks, (Pat).

END